

# Developments

Industry News • Announcements • People & Events

## California Fairs and Racing Get Relief in State Budget

The recent passage of California's state budget provides some much-needed relief to network of State fairs, and to the horse racing industry. Legislative bill SB 16XX, which was part of the budget approval process, allocates funding for the state fair system to the general fund rather than from fluctuating handle-generated license fees paid by industry, thereby ensuring greater stability for fair funding. The change in law takes effect July 1.

## Harris Elected CHRB Chairman

California's racing commissioners elected John Harris chairman of the California Horse Racing Board (CHRB) at its monthly meeting Feb. 26. Harris previously served two years as chairman in 2004-05, and has since served as vice chairman. Governor Gray Davis first appointed Harris to the CHRB in 2000, with Governor Arnold Schwarzenegger reappointing him to a term that expires July 26, 2011.



Harris is a member and past steward of The Jockey Club, and has served on the boards of California Thoroughbred Breeders Association, Breeders' Cup, TOC, Grayson-Jockey Club Research Board, and the Center for Equine Health/UC Davis Advisory Board. He currently serves on the boards of the Race Track Chaplaincy of America, Western Growers Association, California Cattlemen's Association and Pacific Legal

Foundation.

Replacing Harris as vice chairman on the CHRB is David Israel. Israel has been on the board since July 9, 2008.

## Benefits for Horse Industry in Federal Economic Stimulus Bill

President Obama signed into law the Stimulus Bill, which is intended to provide a jump-start to the U.S. economy. The Stimulus Act continues a meaningful deduction for horses and other property purchased and placed in service during 2009, and also includes a few additional provisions that should impact horse owners.

One incentive allows an owner who purchases a horse or other business property and places it in service in 2009, to expense up to \$250,000 of the cost. This so-called "Section 179" expensing allowance applies to horses, farm equipment, and most other depreciable property. Once total purchases of horses and other eligible property reach \$800,000, the expense allowance goes down one dollar for each dollar spent over \$800,000.

## Faster Racehorse Depreciation

Beginning in 2009, racehorses can be written off over a three year period, regardless of the age when placed in service. This change, which became law with the passage of the Equine Equity Act, eliminates the seven-year depreciation period for horses. Depreciation begins when a horse is placed in service, or when it begins training or racing. The change allows racehorses to be written off twice as fast in the first two years, versus the prior seven-year schedule, allowing owners to recover their costs over the period of time the horse is actually likely to race.

## Owners Park Free at Surfside Race Place

Surfside Race Place at Del Mar has recently implemented a change in procedure that should make parking even easier for licensed horse owners. In the past, owners who placed a TOC sticker on the back of their CHRB license could then use that for free parking admission. Special hang tags for vehicles are now available, and may be obtained at the Surfside Gift Shop upon presentation of a current CHRB owners' license. In addition, Surfside provides free admission to owners with current credentials.

As part of the new promotion, Surfside is also offering free admission to their "Diamond Club." To join, simply complete a short application, which is also available at the Gift Shop.

## Lost in the Fog Movie Available Online

*Lost in the Fog*, a documentary by John Corey, chronicles the saga of the ill-fated champion and his connections – owner, Harry Aleo, and trainer, Greg Gilchrist. The beautifully made documentary – which won Best Documentary Audience Award at Cinevegas 2008 – follows Aleo

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<p><b>"HORSE STORY IS A CLASSIC - AND IT'S ALL TRUE</b> <i>A Seahawk story for the 21st century...with a plot twist that might be considered too far out if it weren't all true. Remarkably, Corey's camera is there every step of the way to catch the film's moments of high drama in this one-of-a-kind horse story about a one-of-a-kind horse."</i></p> <p><i>The Horseman's Journal</i></p>  <p><b>WINNER BEST DOC. (EQUINE) 2008</b> <b>WINNER BEST HORSE (EQUINE) 2008</b> <b>WINNER BEST HORSE (EQUINE) 2008</b> <b>WINNER BEST HORSE (EQUINE) 2008</b> <b>WINNER BEST HORSE (EQUINE) 2008</b></p> <p><b>LOST IN THE FOG</b> A DOCUMENTARY BY JOHN COREY</p> <p><b>"VIVID AND SAD, YET ALSO HOPEFUL.</b> <i>Account of the bitter-sweet, short-lived career of San Francisco thoroughbred Lost in the Fog illuminates the thinking, risk-taking nerve and pure faith that goes into owning and managing a race horse."</i></p> <p><i>FUGAZITY</i></p>			
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and Gilchrist from the selection of the colt in Florida, through his training and racing career, to his eventual death from a rare equine cancer. The movie brings to life the incredible highs, and the heart-breaking lows, experienced by the owner and trainer, as well as the incredible heart of a true champion racehorse. A DVD of the movie can be purchased online at [www.lostinthefogmovie.com](http://www.lostinthefogmovie.com).

## New Date and Title for California's Fall Yearling Sale

Starting this year and going forward, the California Cup Yearling Sale, formerly California's Fall Yearling Sale, will be conducted at Barretts Equine Limited the Monday and/or Tuesday following the California Cup at Oak Tree. Since the majority of the yearlings are California-breds, the timing of the sale should be advantageous as many of the owners and trainers attending the California Cup will still be in the area. As in past years, the sale will be co-sponsored by the California Thoroughbred Breeders Association and will be open to all yearlings and not restricted to California-breds.

According to Barretts officials, every effort will be made to accept all "marketable" yearlings. Nominations to the auction will be evaluated on the basis of pedigree and conformation. The nomination deadline is April 10 for the 2009 sale to be held Tuesday, October 6th. The sale may be expanded to two days with an October 5th day or evening session if quality and numbers warrant.

The nomination fee is \$50 per yearling and the nomination form is available online at [www.barretts.com](http://www.barretts.com). Horses will be screened on pedigree prior to the physical inspections which will be conducted in May and June.

## Results of 2007 Agriculture Census Released

The United States Department of Agriculture (USDA) has released the results of the 2007 Census of Agriculture, which is conducted every five years and is a count of U.S. farms and ranches and the people who operate them.

The census found the number of farms in the U.S. has grown 4 percent since the 2002 census, and continues a trend towards more small and very large farms



and fewer mid-size operations. The census also found that the number of horses has increased by 10.55 percent since 2002 – to a total of 4,028,827. Because the census focuses on agriculture production and only counted farms on which \$1,000 or more of agricultural products were produced or sold, a significant part of the U.S. equine population would not have been counted, such as recreational facilities and backyard horses.

## Applications Available for MiniSatellites

Applications are available from the CHRB for the operation of new "minisatellite" wagering facilities throughout the state. A minisatellite may be operated in a sports bar or restaurant, card club, or just about any other businesses appropriately located and accommodated. These

facilities could begin accepting wagers on horse races by summer.

The Board adopted a regulation in December allowing for up to 45 new wagering locations throughout the state. The Office of Administrative Law gave its approval March 5, and the regulation goes into effect April 4. There are currently 34 locations in California authorized to accept wagers on horse racing, operated by racetracks, certain tribal casinos, district agricultural associations, and fairs.

This law allows for the licensing of 15 minisatellites in each of the three racing zones dividing the state: the southern zone, which consists of Imperial, Orange, Riverside, and San Diego counties; the central zone, which consists of Kern, Los Angeles, San Bernardino, Santa Barbara, and Ventura counties; and the northern zone, which consists of the remaining counties in the state.

"I'm pleased that the program is nearly ready to go," said CHRB Chairman, John Harris. "We need to expand racings' reach any way we can, and this concept should help. Racing is the only sport that one can bet on legally in California, and racing's market needs help. Although anyone with a wagering account and access to the Internet already can wager from home or anywhere in the state, creating new, more accessible wagering locations should make the wagering experience more available by providing places where fans can gather with friends and make new ones. This should build enthusiasm for the sport."